

Clearcorp Dealing Systems (India) Limited



Financial Statements

2010-2011



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CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

■ Board of Directors:

Dr. R. H. Patil (Chairman)

Mr. Yeshwant S. S. Kapdi (Managing Director)

Mr. K. Sivaprakasam

Mr. R. V. Joshi

Mr. M. M. Bagora

Mr. M. R. Ramesh

Mr. K. R. Ramamoorthy

■ Company Secretary:

Ms. Sandhya Sati

■ Auditors:

M/s. Kalyaniwalla & Mistry

Chartered Accountants

■ Registered Office:

5th, 6th & 7th Floor, Trade World,

C-Wing, Kamala City,

Senapati Bapat Marg,

Lower Parel (W),

Mumbai 400 013.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

Financial Statements 2010-2011

Contents

1. Auditors' Report	41
2. Financial Statement	
Balance Sheet	46
Profit and Loss Account	47
Cash Flow Statement	48
Schedules forming part of Balance Sheet	49
Schedules forming part of Profit and Loss Account	51
Schedule to Significant Accounting Policies and Notes to Accounts	52
Balance Sheet Abstract and Company's General Business Profile	62

AUDITORS' REPORT

To the members of
CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Clearcorp Dealing Systems (India) Limited as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.



- (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Regn. No.: 104607 W

Sd/-
Daraius Z. Fraser
Partner
M. No.: 42454

Place: Mumbai
Date : May 13, 2011

ANNEXURE TO THE AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:

1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.

2. Inventory:

The Company does not have any inventory.

3. Loans and Advances:

The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of fixed assets and for services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. There are no particulars of contracts or arrangements referred to in Section 301 of the Act which need to be entered in the register required to be maintained under that section.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.



7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.
9. Statutory Dues :
 - (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess outstanding on account of any dispute.
10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debentureholders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund/ societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. According to the information and explanations given to us, the Company has not obtained any term loan.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not issue any debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the Company, has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Regn. No.: 104607 W

Sd/-
Darius Z. Fraser
Partner
M. No.: 42454

Place: Mumbai
Date : May 13, 2011



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2011

(₹ in thousands)

	Schedule	As at 31.03.2011	As at 31.03.2010
SOURCES OF FUNDS			
Shareholders' Funds			
Equity Share Capital	1	100,000	100,000
Reserves and Surplus	2	79,374	78,757
TOTAL		179,374	178,757
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	155,760	85,195
Less : Depreciation		142,861	79,150
Net Block		12,899	6,045
Capital Work-In-Progress		22,993	71,725
		35,892	77,770
Net Deferred Tax Asset		11,281	7,377
Current Assets, Loans and Advances			
(i) Sundry Debtors	4	11,443	10,480
(ii) Cash and Bank balances		120,447	84,455
(iii) Accrued Interest		5,130	3,433
(iv) Loans and Advances		22,085	17,200
		159,105	115,568
Less : Current Liabilities and Provisions			
(i) Current Liabilities	5	18,161	13,523
(ii) Provisions		8,743	8,435
		26,904	21,958
Net Current Assets		132,201	93,610
TOTAL		179,374	178,757

Significant Accounting Policies and Notes to Accounts 10

The Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Regn. No.:104607W

Sd/-
Daraius Z. Fraser
Partner
M. No.:42454

Place : Mumbai
Date : May 13, 2011

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Y.S.S. Kapdi
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
Sandhya Sati
Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
(₹ in thousands)			
INCOME			
Income from Operations	6	155,787	187,431
Other Income	7	8,998	3,806
		<u>164,785</u>	<u>191,237</u>
EXPENDITURE			
Employment Cost	8	40,711	33,136
Operating, Administration and Other Expenses	9	58,391	58,175
Depreciation		63,711	55,239
		<u>162,813</u>	<u>146,550</u>
Profit Before Tax		1,972	44,687
Provision for Tax			
- Current tax		5,260	23,390
- Deferred tax Liability / (Asset)		(3,905)	(7,411)
Net Profit After Tax		617	28,708
Balance brought forward from previous year		76,318	47,610
Profit available for appropriation		76,935	76,318
APPROPRIATIONS:			
Balance carried to Balance Sheet		76,935	76,318
		<u>76,935</u>	<u>76,318</u>
Basic and Diluted earnings per share (₹) (Equity Share of face value of ₹ 10 each)		<u>0.06</u>	<u>3.05</u>

Significant Accounting Policies and Notes to Accounts 10

The Schedules referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
 Firm Regn. No.:104607W

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Y.S.S. Kapdi
Managing Director

Sd/-
Daraius Z. Fraser
Partner
 M. No.:42454

Sd/-
K. Sivaprakasam
Director

Place : Mumbai
 Date : May 13, 2011

Sd/-
Sandhya Sati
Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	(₹ in thousands)	
	2010-11	2009-10
(A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1,972	44,687
Add : Adjustments for -		
Depreciation	63,711	55,239
Less: Adjustments for -		
Interest Income	7,548	3,793
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	58,135	96,133
Adjustments for :		
(Increase)/ decrease in Trade and Other Receivables	(5,849)	4,818
Increase/(decrease) in Trade and Other Payables	4,876	(7,064)
CASH GENERATED FROM OPERATIONS	57,162	93,887
Direct Taxes paid	(5,188)	(21,131)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES (A)	51,974	72,756
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21,833)	(42,219)
Interest received	5,851	360
NET CASH FROM/(USED IN) INVESTING ACTIVITIES (B)	(15,982)	(41,859)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Issue of equity shares	-	50,000
NET CASH FROM/(USED IN) FINANCING ACTIVITIES (C)	-	50,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	35,992	80,897
CASH AND CASH EQUIVALENTS - OPENING BALANCE	84,455	3,558
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	120,447	84,455
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	35,992	80,897

1. The above cash flow statement has been prepared using the indirect method as per Accounting Standard 3.
2. Cash and Cash Equivalents includes Bank Deposit of ₹ 2,500 thousands (Previous Year - ₹ 2,500 thousands) under lien with Bank (Refer Note no. 13 in Schedule 10).
3. Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.

As per our attached report of even date

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Firm Regn. No.:104607W

Sd/-
Daraius Z. Fraser
Partner
M. No.:42454

Place : Mumbai
Date : May 13, 2011

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Y.S.S. Kapdi
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
Sandhya Sati
Company Secretary



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011

(₹ in thousands)

	As at 31.03.2011	As at 31.03.2010
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SCHEDULE 1 : SHARE CAPITAL

Authorised

1,00,00,000 Equity Shares of ₹ 10 each	100,000	100,000
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Issued, Subscribed and Paid-up

1,00,00,000 Equity Shares of ₹ 10 each fully paid up (All the above shares are held by The Clearing Corporation of India Limited, Holding Company)	100,000	100,000
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TOTAL	100,000	100,000
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SCHEDULE 2: RESERVES AND SURPLUS

General Reserve	2,439	2,439
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Balance as per annexed Profit and Loss Account	76,935	76,318
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TOTAL	79,374	78,757
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SCHEDULE 3 : FIXED ASSETS

(₹ in thousands)

SR. NO.	DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK		
		As on 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	Upto 01.04.2010	For the year	Deductions during the year	Upto 31.03.2011	As on 31.03.2011	As on 31.03.2010	
1	Computer Systems-Hardware	2,037	1,687	-	3,724	1,812	257	-	2,069	1,655	225	
2	Computer Systems-Software	83,098	68,871	-	151,969	77,332	63,441	-	140,773	11,196	5,766	
3	Furniture	60	6	-	66	6	12	-	18	48	54	
4	Equipment	-	1	-	1	-	1	-	1	-	-	
	TOTAL	85,195	70,565	-	155,760	79,150	63,711	-	142,861	12,899	6,045	
	PREVIOUS YEAR	73,443	11,752	-	85,195	23,911	55,239	-	79,150	6,045		
	CAPITAL WORK-IN PROGRESS (INCLUDING CAPITAL ADVANCES)									22,993	71,725	
	GRAND TOTAL										35,892	77,770



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2011

	(₹ in thousands)	
	As at 31.03.2011	As at 31.03.2010
SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES		
(i) Sundry Debtors (Unsecured, Considered good)		
More than six months	-	-
Others	11,443	10,480
	<u>11,443</u>	<u>10,480</u>
(ii) Cash and Bank Balances		
Cash in hand	6	5
Balances with Scheduled Banks		
in Current Accounts	4,441	4,650
in Deposit Accounts	116,000	79,800
	<u>120,441</u>	<u>84,450</u>
	<u>120,447</u>	<u>84,455</u>
(iii) Interest Accrued		
On Deposits with Banks	5,130	3,433
(iv) Loans and Advances (Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	7,733	1,415
Amount receivable from The Clearing Corporation of India Limited - Holding Company	1,746	3,184
Deposits	12,606	12,601
	<u>22,085</u>	<u>17,200</u>
TOTAL	<u><u>159,105</u></u>	<u><u>115,568</u></u>

SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS

(i) CURRENT LIABILITIES		
Sundry Creditors		
(a) Due to Creditors other than Micro and Small Enterprises	7,963	5,288
(b) Due to Micro and Small Enterprises (Refer Note no. 15 of Schedule 10)	12	-
Other Liabilities	10,187	8,235
	<u>18,161</u>	<u>13,523</u>
(ii) PROVISIONS		
Provision for Employee Benefits	6,055	5,818
Provision for Income Tax (Net of payments ₹ 50,371 thousands, Previous year - ₹ 45,183 thousands)	2,688	2,617
	<u>8,743</u>	<u>8,435</u>
TOTAL	<u><u>26,904</u></u>	<u><u>21,958</u></u>

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED
SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	(₹ in thousands)	
	For the year ended 31.03.2011	For the year ended 31.03.2010
SCHEDULE 6 : INCOME FROM OPERATIONS		
(Refer Note no. 2(b) of Schedule 10)		
Transaction Charges - Repo Trading System (CROMS)	43,112	54,603
Transaction Charges - CBLO Trading System	74,209	97,080
Transaction Charges - Forex Trading Systems	10,131	8,977
Membership Fees	625	600
NDS Helpdesk Support Charges	9,240	9,240
Datafeed Charges	18,470	16,931
TOTAL	155,787	187,431
SCHEDULE 7 : OTHER INCOME		
Interest on Fixed Deposits with Banks (Tax Deducted at Source ₹ 773 thousands, Previous year ₹ 361 thousands)	7,548	3,793
Development & Maintenance of Reporting Platforms	751	-
Miscellaneous Income	699	13
TOTAL	8,998	3,806
SCHEDULE 8 : EMPLOYMENT COST		
Salaries & Allowances	33,499	27,914
Contribution to Provident & Other Funds	4,375	2,479
Staff Welfare & Training Expenses	2,837	2,743
TOTAL	40,711	33,136
SCHEDULE 9 : OPERATING, ADMINISTRATION AND OTHER EXPENSES		
Rent	14,330	14,330
Electricity Charges	1,915	1,837
Insurance	795	361
Repairs & Maintenance Expenses - Computer Systems	18,210	22,115
Repairs & Maintenance Expenses - Others	418	330
Usage Charges	9,944	8,771
Communication Expenses	6,266	4,470
Directors' Sitting Fees	490	390
Expenses towards Increase in Authorised Capital	-	350
Other expenses	6,023	5,221
TOTAL	58,391	58,175



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts

1. Nature of Operations :

Clearcorp Dealing Systems (India) Limited ('the Company') provides dealing systems/platforms, facilitates trading in the money market instruments, foreign exchange and other financial market instruments and carries out related activities.

2. Significant Accounting Policies:

(a) **Basis of preparation of Financial Statements :**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, and relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical convention on accrual basis.

The preparation of financial statements requires the management to make estimates and assumptions that have been considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements as prudent and reasonable. Future results could differ from these estimates.

(b) **Revenue Recognition:**

- (i) Transaction Charges income is recognised on settlement of respective transactions in terms of the contract with members.
- (ii) Non-refundable one time membership fee is recognised as income in the year in which respective operations commence or in the year in which the membership of the applicant is approved, whichever is later.
- (iii) Revenue from Services is recognized as and when the Service is performed as per the relevant agreements.
- (iv) Other Revenue Income is recognised as and when there is a reasonable certainty of ultimate realisation.

(c) **Fixed Assets and Depreciation:**

- (i) Fixed assets are stated at cost which comprises of purchase price, freight, duties, taxes, cost of installation and other incidental expenses incurred towards acquisition and installation of such assets.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

- (ii) Depreciation is provided on Straight Line Method as per rates specified below and in the manner specified in Schedule XIV to the Companies Act, 1956

Asset	Depreciation Rates Applied	SLM Depreciation rates prescribed in the Schedule
Computer Systems - Hardware	50.00%	16.21%
Computer Systems - Software	100.00%	16.21%
Furniture & Fixtures	20.00%	6.33%
Equipment	20.00%	4.75%

Fixed Assets whose cost is ₹ 5,000 or less are fully written off in the year of acquisition.

- (iii) Software expenses incurred for Company's core business applications are capitalized as Computer Systems - Software.

(d) Employee Benefits:

Short term Employee Benefits are estimated and provided for. Post Employment Benefits and Other Long term Employee Benefits are treated as follows:

(i) Defined Contribution plans:

- (a) **Provident Fund:** The provident fund plan is operated by Regional Provident Fund Commissioner (RPFC) and the contribution thereof is paid/provided for.
- (b) **Superannuation Fund:** Superannuation benefit for the eligible employees is covered by Superannuation Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for.

Contributions to the defined contribution plans are charged to Profit & Loss Account for the respective financial year.

(ii) Defined Benefits plans:

Gratuity: Gratuity for employees is covered by Gratuity Scheme with Life Insurance Corporation of India and the contribution thereof is paid/provided for. Provision for Gratuity is made as per actuarial valuation as at the end of the year.

Actuarial gains/losses at the end of the year accrued to the defined benefit plans are taken to Profit & Loss Account for the respective financial year and are not deferred.

(iii) Other Long Term Benefits :

Long term compensated absences: Provision for Leave encashment is made on the basis of actuarial valuation as at the end of the year.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2009

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

(e) Income Tax:

Provision for current tax is made on the basis of relevant provisions of the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is calculated using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable/virtual certainty that these would be realised in future.

(f) Foreign Currency Transactions:

Revenue Transactions in foreign currency are recorded at the rate of exchange in force at the date of transactions. Foreign Currency assets and liabilities are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognized in the Profit & Loss Account.

(g) Provisions and Contingent Liabilities:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if -

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated .

Contingent Liability is disclosed in the case of -

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) a possible obligation, unless the probability of outflow of resources is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability, as the case may be, only when it is virtually certain that the reimbursement will be received.

3. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- ₹ 4,950 thousands (Previous year - Nil).

4. Auditors' Remuneration :

(₹ in thousands)

Particulars	2010-11	2009-10
Audit Fees	125	125
Tax Audit Fees	-	28
Taxation matters	-	-
Other matters	-	-
Out of pocket expenses (Including service tax)	19	24
Total	144	177

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

5. (a) Value of imports on CIF basis:- Nil (Previous Year - Nil).
 (b) Expenditure in Foreign Currency:

(₹ in thousands)

Particulars	2010-11	2009-10
Travelling Expenses	102	297
Training & Conference Fees	-	292
Business Promotion Expenses	-	135
TOTAL	102	724

- (c) Earnings in Foreign Exchange:

(₹ in thousands)

Particulars	2010-11	2009-10
Datafeed Charges	4,558	4,699

6. (a) Other income includes foreign exchange difference (gain) amounting to ₹ 26 thousands (Previous Year - Nil).
 (b) Other expense includes -
 (i) Rates & Taxes amounting to ₹ 12 thousands (Previous Year - ₹ 62 thousands).
 (ii) Foreign exchange difference (loss) - Nil (Previous Year - ₹ 89 thousands).
7. Provision for Employee Benefits includes -

(₹ in thousands)

Particulars	2010-11	2009-10
(a) Provision for Gratuity	-	905
(b) Provision for Leave Entitlement	5,764	4,648
(c) Provident/Pension Fund Contribution	291	265
TOTAL	6,055	5,818



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

8. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits in respect of Gratuity (based on Actuarial Valuation):

(₹ in thousands)

	Description	Gratuity	
		2010-11	2009-10
A.	Expense recognised in the statement of Profit & Loss Account for the year		
	- Current Service Cost	254	657
	- Interest Cost	145	238
	- Expected return on plan assets	(313)	(154)
	- Net actuarial (gain) / loss recognised during the year	2,911	(336)
	Total Expense recognised in Profit & Loss Account	2,997	406
	Less : Already excess recognised	1,184	-
	Expense Accounted for the year	1,813	-
B.	Actual return on plan assets		
	- Expected return of plan assets	313	154
	- Actuarial gain / (loss) on plan assets	-	17
	- Actual return of plan assets	313	171
C.	Net Asset / (Liability) recognised in the Balance Sheet		
	- Present value of obligation	4,864	2,996
	- Fair value of plan assets	5,097	2,091
	- Funded status {surplus / (deficit)}	233	(905)
	- Net Asset / (Liability) recognised in the Balance Sheet	233	(905)
D.	Change in Present value of Obligation during the year		
	- Present value of obligation at the beginning of the year	1,812	2,419
	- Current Service Cost	254	657
	- Interest Cost	145	238
	- Benefits paid	(258)	-
	- Actuarial (gain) / loss on obligation	2,911	(318)
	- Present value of obligation at the end of the year	4,864	2,996

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

(₹ in thousands)

	Description	Gratuity	
		2010-11	2009-10
E.	Change in Assets during the year		
	- Fair value of plan assets at the beginning of the year	2,091	1,646
	- Expected return on plan assets	313	154
	- Contributions made	2,951	274
	- Benefits paid	(258)	-
	- Actuarial (gains) / loss on plan assets	-	17
	- Fair value of plan assets at the end of the year	5,097	2,091
F.	Major categories of plan assets as a percentage of total plan	100% insurance policy	
G.	Actuarial Assumptions		
	- Discount rate	8.00%	8.00%
	- Expected rate of return on assets	9.15%	8.00%
	- Employee Attrition Rate	1%-3%	2.00%
	- Mortality Rate	LIC (1994 - 96) Ultimate	
	- Future salary increases consider inflation, seniority, promotion and other relevant factors	5.00%	5.00%

9. The components of net deferred tax asset/(liability) are as under:

(₹ in thousands)

Deferred Tax Assets/(Liability)	As at 31.03.2011	As at 31.03.2010
Arising out of timing difference in:		
(i) Depreciation	8,093	5,532
(ii) Provision for Leave Entitlement	1,870	1,544
(iii) Provision for Deferred Incentive	1,318	-
(iv) Provision for Gratuity	-	301
Net Deferred Tax Asset/(Liability)	11,281	7,377



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

10. Basic and Diluted Earnings Per Share is calculated as under :

Particulars	2010-11	2009-10
(i) Numerator - Net Profit attributable to Equity Shareholders (₹ in thousands)	617	28,708
(ii) Denominator - Weighted Average Number of Equity Shares outstanding during the year	10000000	9410959
(iii) Nominal value of Equity shares	₹ 10.00	₹ 10.00
(iv) Basic and Diluted Earnings Per share - for the year	₹ 0.06	₹ 3.05

11. Disclosure in respect of Related Parties pursuant to Accounting Standard 18 :

a. List of Related Parties:

(i) Parties where control exists - Holding Company
The Clearing Corporation of India Limited

(ii) Other Parties with whom the Company has entered into transactions during the year in the ordinary course of the business - None

b. Details of transactions :

(₹ in thousands)

Nature of Relationship	Holding Company
(i) Transactions during the year	
Operational Income shared (Receipt)	58,937 (63,630)
Usage Charges paid	9,944 (8,771)
Rent paid for residential accommodation	432 (432)
Reimbursement/Sharing of expenses - (Payment)	10,151 (8,114)
(ii) Outstanding balance as at 31.03.2011	
Amounts Payable	--
Amounts Receivable	1,746 (3,184)
Investment by Holding Company in equity shares of the Company	100,000 (100,000)

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

Notes:

- (a) Figures in bracket represent corresponding amounts in the previous year.
- (b) Transactions with holding Company are in respect of common operations and in accordance with the terms of agreement entered into in this regard.
- (c) No amount in respect of the related parties has been provided for as doubtful debts or written off/back during the year.
- (d) Related party relationship is as identified by the Company and relied upon by the auditors.
- (e) All the above transactions are in the ordinary course of the business of the Company.

12. Minimum lease rentals payable under non-cancellable operating leases for office/residential accommodations:

(₹ in thousands)

Period	2010-11	2009-10
Not later than 1 year	9,450	9,450
Between 1 and 5 years	Nil	Nil
Later than 5 years	Nil	Nil

13. 'Balance with Scheduled Banks - In Deposit Accounts' includes a Fixed Deposit amounting to ₹ 2,500 thousands (Previous Year - ₹ 2,500 thousands) kept with Bank of Baroda, having a lien in favour of Forex Dealers Association of India (FEDAI) in terms of the conditions prescribed for accreditation of forex dealing platforms of the Company.
14. The Company's operations fall into one business segment comprising of facilitating 'Trading' of securities/foreign exchange/money market instruments and activities incidental thereto, and all its operations are carried out in India. Therefore, the disclosures as required under Accounting Standard 17 - "Segment Reporting" are not applicable.



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

15. As at March 31, 2011, three suppliers have intimated that they are registered as micro/small enterprises with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The Details of dues to those suppliers as on March 31, 2011 are as follows:

(Amt. in ₹)

		As at 31.03.2011	As at 31.03.2010
(a)	(i) Principal amount remaining unpaid at the end of Accounting year	11,629	-
	(ii) Interest due on above	-	-
(b)	Amount of interest paid in terms of 16 of the MSMED Act	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

As at March 31, 2011, no other supplier has intimated the Company about its registration as Micro or Small Enterprises under MSMED Act.

16. There is no amount outstanding in respect of items which would be required to be credited to Investor Education and Protection Fund, on completion of specified period, under Section 205C of the Companies Act, 1956.
17. In the opinion of the management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for Depreciation and all known liabilities is adequate and not in excess of the amount reasonably necessary.

CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

SCHEDULES TO BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

Schedule 10: Significant Accounting Policies and Notes to Accounts (contd.)

18. Information with regard to other matters specified in clauses 3, 4C & 4D of Part II to Schedule VI of the Companies Act, 1956 are either nil or not applicable to the Company.
19. Previous year's figures have been regrouped, reclassified and rearranged to conform to current year's presentation, wherever necessary.
20. Previous year's figures have been audited by a firm of Chartered Accountants other than Kalyaniwalla & Mistry, Chartered Accountants, the current auditors.

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Y.S.S. Kapdi
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
Sandhya Sati
Company Secretary

Place : Mumbai
Date : May 13, 2011



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in terms of Part IV of Schedule VI of the Companies Act, 1956)

I Registration Details

Registration No.

U	7	4	9	9	9	M	H	2	0	0	3	P	L	C	1	4	0	8	4	9
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

1	1
---	---

Date Month Year

II Capital raised during the year (Amount in ₹ Thousands)

Public Issue

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

Rights Issue

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Private Placement

													N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities

			2	0	6	2	7	8
--	--	--	---	---	---	---	---	---

Total Assets

			2	0	6	2	7	8
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

			1	0	0	0	0	0
--	--	--	---	---	---	---	---	---

Reserves & Surplus

				7	9	3	7	4
--	--	--	--	---	---	---	---	---

Secured Loans

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Unsecured Loans / Deposits

													N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Deferred Tax liability

												N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

				3	5	8	9	2
--	--	--	--	---	---	---	---	---

Investments

													N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

				1	3	2	2	0	1
--	--	--	--	---	---	---	---	---	---

Deferred tax Asset

					1	1	2	8	1
--	--	--	--	--	---	---	---	---	---

Misc. Expenditure

													N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Accumulated Losses

														N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---



CLEARCORP DEALING SYSTEMS (INDIA) LIMITED

IV Performance of Company (Amount in ₹ Thousands)

Turnover/Total Income

			1	6	4	7	8	5
--	--	--	---	---	---	---	---	---

Total Expenditure

			1	6	2	8	1	3
--	--	--	---	---	---	---	---	---

+ -

Profit / Loss before tax

<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------

					1	9	7	2
--	--	--	--	--	---	---	---	---

+ -

Profit / Loss after tax

<input checked="" type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------

						6	1	7
--	--	--	--	--	--	---	---	---

(Please tick appropriate box + for Profit, - for Loss)

Earning per Share in ₹

					0	.	0	6
--	--	--	--	--	---	---	---	---

Dividend rate %

N	I	L
---	---	---

V Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.
(ITC Code)

N	A													
---	---	--	--	--	--	--	--	--	--	--	--	--	--	--

Product
Description

F	A	C	I	L	I	T	A	T	I	N	G		T	R	A	D	I	N	G

For and on behalf of the Board of Directors

Sd/-
Dr. R. H. Patil
Chairman

Sd/-
Y.S.S. Kapdi
Managing Director

Sd/-
K. Sivaprakasam
Director

Sd/-
Sandhya Sati
Company Secretary

Place : Mumbai
Date : May 13, 2011



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